



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Transportation Services Improvement Fund	Number 1-17
Originating Department Department of Transportation	Effective Date

MONTGOMERY COUNTY REGULATION:

TRANSPORTATION SERVICES IMPROVEMENT FUND REQUIREMENTS

DEPARTMENT OF TRANSPORTATION

Issued by: County Executive
COMCOR 53.801.01
Regulation No. 1-17

Authority: Code Section 53-801
Supersedes: Executive Regulation N/A

Council Review Method (2) Under Code Section 2A-15
Register Vol. 34 No. 2

Comment Deadline: March 2, 2017

Effective Date:

SUMMARY:

The regulation establishes the procedures for disbursing monies from the Transportation Services Improvement Fund.

ADDRESS:

Director, Department of Transportation
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101 Monroe Street
Rockville, Maryland 20850

STAFF CONTACTS:

Michael Pollard, Director Office, 240-777-5852



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I. BACKGROUND INFORMATION

In 2015, the Maryland General Assembly passed legislation regulating Transportation Network Companies (TNC), including ride-hailing services such as Uber and Lyft. The legislation (which is codified at § 10-401, *et seq* of the Public Utilities Article) created a new regulatory framework in which TNCs in the State must operate. In addition to its regulatory function, the legislation also authorizes a county or municipality to impose an assessment on TNC trips that originate within the county or municipality. Pursuant to the State's enabling legislation Montgomery County has imposed a \$.25 assessment fee (or "surcharge") on TNCs for each trip originating in the County. All revenue generated from the imposed assessments and disbursed by the State to the County are placed in a Transportation Services Improvement Fund (referred to hereafter as "the Fund") and must be used for transportation purposes that are specified in §53-801 of the Montgomery County Code.

Chapter 53 Section 53-801 of the Montgomery County Code requires the County Executive to establish, by regulation, procedures for disbursing monies from the Fund. The monies from the Fund are to be used to ensure the continued viability of accessible service throughout the County for people with disabilities, eligible senior citizens, and low-income residents.

II. PURPOSE

The purpose of this regulation is to provide guidance for distribution of monies from the Fund to taxicab owners and operators to offset the increased costs of owning and operating accessible vehicles and to provide incentives for improving or expanding transportation options for senior citizens and persons with limited income. This regulation establishes procedures under which an eligible person may apply for the use of these funds.

III. REGULATION

- (a) Applicants must use an application form provided by the Department.
- (b) All questions on the form must be fully answered.



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(c) A person who makes a false statement to any questions on the form will be denied a reimbursement from the Fund.

(d) Applicants must submit all required documentation to the Department to qualify for the distribution or reimbursement from the Fund.

IV. DEFINITIONS

(a) **Accessible Taxicab** -- means a taxicab that the Department has authorized to transport passengers with disabilities.

(b) **Passenger Vehicle License** -- means a County-issued license to provide taxicab service using a specified motor vehicle.

(c) **Owner** -- means an individual or entity that:

- (1) is listed with the state motor vehicle agency as holding legal title to a specific motor vehicle;
- (2) acts as the agent of the registered owner for all purposes, including acceptance of liability, payment of judgments and other legal obligations, and receipt of any legal notice of process.

(d) **Driver** -- means an individual authorized to operate a taxicab under Chapter 53 who has been issued a County Taxicab Driver Identification Card.

(e) **Fleet**--means any entity that holds in its own name six or more licenses.

V. REIMBURSEMENTS

Reimbursements in this regulation are based on the increased costs incurred by Drivers and Owners of Accessible Taxicabs.



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These increased costs are broken down into two categories: Vehicle Ownership and Maintenance, and Vehicle Operating/Driver Expenses and will be reimbursed as outlined below.

a) Ownership and Maintenance

The cost to purchase a larger vehicle and convert it to an Accessible Taxicab is significantly more than that of a standard sedan. In 2016, it was estimated that the cost to convert a vehicle was between \$10,000 and \$20,000 depending on the type of vehicle and extent of the modifications. Additionally, the cost to maintain these vehicles is higher due to the additional systems associated with the lifts and increased wear on brakes and transmissions. The Fund will reimburse a portion of these costs to encourage the operation of Accessible Taxicabs in the County.

The Montgomery County Department of Transportation (MCDOT) will determine the appropriate amount to reimburse the vehicle owners as compensation for the higher initial costs and ongoing maintenance costs. The reimbursement is calculated based on the costs of purchasing, retrofitting, and maintaining a vehicle as an Accessible Taxicab. The reimbursement for this category is calculated to offset the cost of a vehicle conversion and additional accessible service maintenance costs over the service life of the vehicle. These rates are to be reviewed by MCDOT every odd-numbered year. The rate established for 2017-2018 is \$15,000 per vehicle to be distributed in five annual payments of \$3,000.

To receive the initial disbursement, the Owner must complete and submit a reimbursement application along with documentation of: (1) the purchase of an Accessible Taxicab on or after January 1, 2016, that is not more than three model years old, or (2) the conversion of a vehicle not more than three model years old to an Accessible Taxicab on or after January 1, 2016.



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To receive subsequent annual disbursements, the Owner must complete and submit a reimbursement application along with documentation demonstrating that the Accessible Vehicle has been in operation a minimum of 40 hours per week for at least 50 weeks in the year since the previous disbursement.

MCDOT will verify the operation prior to disbursement.

The maximum reimbursement amount is \$15,000 per vehicle even if the Accessible Vehicle is sold or transferred to a different owner. If an Accessible Vehicle is sold prior to the original owner receiving the entire \$15,000 the new owner may apply for the remaining eligible disbursement on an annual basis that is also conditioned upon a demonstration that the Accessible Vehicle has been in operation a minimum of 40 hours per week for at least 50 weeks in the year since the previous disbursements.

b) Vehicle Operating / Driver Expenses

The Driver's cost to operate an Accessible Taxicab is significantly higher because Accessible Vehicles tend to be larger and less fuel-efficient than that of the industry standard vehicle, the Toyota Prius. The fuel component of this reimbursement is calculated based on the difference in gas mileage between the Toyota Prius and a typical minivan or an equivalent vehicle, and the average cost of gasoline.

Additionally, there are multiple expenses associated with accessible passenger service that the County will reimburse drivers for providing. These include the additional costs of operation due to greater travel times and the load and unload time associated with picking up a wheelchair bound passenger.

For the calendar year 2017, the reimbursement paid to drivers of Accessible Taxicabs for the increased fuel costs and driver expenses combined will be \$0.10 per mile for every mile that the vehicle travels while in service. MCDOT will review the reimbursement rate every calendar year.



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Disbursements will be made monthly, subject to the availability and appropriation of monies in the Fund. To receive a disbursement, the Driver must complete and submit a reimbursement application along with a signed manifest documenting all trips provided in the previous month. MCDOT will verify the trip records with the affiliated Fleet's record.

VI. REIMBURSEMENT TRANSPARENCY:

Reimbursements from the Fund will be reported annually by the Department of Transportation's Taxicab Services Section.

VII. APPLICATION AND REQUIREMENTS:

All applications and required documentation shall be on forms and in a format approved by the MCDOT.

VIII. MINIMUM FUND LEVELS AND PRORATED DISBURSEMENTS:

All disbursements from the Fund are subject to the availability and appropriation of adequate funding. The Fund must maintain a balance (the "Required Balance") that is 5% greater than the projected disbursement for the following 90 days.

IX. MISUSE OF FUNDS

Any recipient of a disbursement under this regulation who uses the monies for any purpose other than as permitted by the County hereunder must refund all monies received within seven (7) days of a County demand for a refund. Any recipient who misuses a disbursement is barred from participating in this program and is subject to all legal actions and penalties contained in Chapter 53 of the Montgomery County Code.

X. SENIOR AND LIMITED INCOME TRANSPORTATION ENHANCEMENTS:

At the end of each calendar year, the Director will review the Fund balance to determine what portion of the Fund may be used to improve or expand transportation options for eligible senior citizens or persons with limited income



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XI. EFFECTIVE DATE:

This regulation becomes effective when the Council adopts a resolution approving the regulation or on a later date specified in the regulation. If the Council does not approve or disapprove the proposed regulation within 60 days after receiving it, or by any subsequent deadline set by resolution, the regulation is automatically approved.

Isiah Leggett, County Executive

Date

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY
BY: Clifford H. Leggett
DATE: 1/20/17